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COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 13, 2001

APPLICATION OF

DOMINION ENERGY DIRECT SALES, INC.                      CASE NO. PUE000349

For a license to conduct  
business as a competitive  
service provider in electric  
and natural gas retail access  
pilot programs

ORDER GRANTING WAIVER

On August 1, 2000, Dominion Energy Direct Sales, Inc., ("DEDSI" or "the Company"), completed an application for licensure to conduct business as a competitive service provider. In its application, DEDSI requested licenses to provide competitive electric and natural gas services to commercial and industrial customers. This application sought authority to provide such services to commercial and industrial customers participating in the electric retail access pilot programs of Virginia Power, American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC"), and in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

After providing notice and opportunity for hearing, and receiving no comments from the public, and after considering its

Staff's Report and the Company's response thereto, the Commission issued an Order on September 7, 2000, in Case No. PUE000349, that, among other things, granted Dominion Retail License No. PE-5 to provide competitive electric supply service to commercial and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, and REC; and granted the Company License No. PG-3 to provide competitive natural gas service to commercial and industrial customers in conjunction with the retail access pilot programs of CGV and WGL.

On June 19, 2001, the Commission entered its Final Order in Case No. PUE010013, adopting its Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10, et seq.<sup>1</sup> Page 6 of this Order provided that each competitive service provider who wished to convert its pilot license to a permanent license to participate in retail access must submit a request to do so in writing to the Commission on or before August 31, 2001. We directed that: (i) each such request must include an attestation that the information provided and updated in its application for a pilot license is

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<sup>1</sup> Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013, Document Control Center No. 010630011, Final Order (June 19, 2001).

true and correct, (ii) the Company must attest that it will abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B, and (iii) the Company must include any changes to information previously provided to the Commission, as required by 20 VAC 5-312-20 R.

On August 31, 2001, DEDSI filed a request for a waiver of the requirement for the Company to convert its License No. PE-5 to a permanent license for participation in retail access in Virginia. Instead the Company requested that its License No. PE-5 be continued for a finite period of time. The Company states that it does not wish to convert either of its pilot licenses to permanent licenses, but does wish to continue its electric license for a period of time during the transition to full retail choice in order to fulfill its contractual obligations to its customers.<sup>2</sup>

DEDSI has approximately 220 commercial and industrial electric commodity customers in Virginia under existing contracts. The initial term of these contracts expires May 31, 2002, and continues month-to-month thereafter. DEDSI does not plan to continue these contracts on a month-to-month basis after May 31, 2002. Nor will DEDSI enroll new customers. The Company states that it seeks merely to preserve the ability to serve its

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<sup>2</sup> DEDSI does not wish to provide natural gas service under License No. PG-3 after December 31, 2001.

existing customers until the initial term of the contracts expire. Therefore the Company requests that the Commission grant a waiver of the requirement for DEDSI to convert License No. PE-5 to a permanent license and to continue serving customers under License No. PE-5 until May 31, 2002.

NOW UPON CONSIDERATION, we are of the opinion that DEDSI's request for waiver should be granted.

Accordingly, IT IS ORDERED THAT:

(1) DEDSI hereby is granted a waiver from the licensure requirement to convert its pilot licenses to permanent licenses.

(2) Should DEDSI desire to serve any customers other than the customers it currently serves or should DEDSI desire to serve any additional location(s) of those customers, or should the contracts ending May 31, 2002, be renewed, DEDSI shall obtain a license to act as a competitive service provider or aggregator as required by the Retail Access Rules. Such license must be obtained before DEDSI may provide services to new customers or to additional locations of current customers. If a license is sought due to renewal of current customer contracts, the license application must be filed before May 31, 2002.

(3) If none of the conditions in paragraph (2) above occurs, DEDSI shall have until July 15, 2002 to file with the Commission notification that it has completed and terminated its service obligations to its current customers.

(4) This matter is continued generally, and this docket shall remain open pending the receipt of the July 15, 2002, report, or alternatively, DEDSI's application for licensure as a competitive service provider.